

RESOLUTION NUMBER R- 310526

DATE OF FINAL PASSAGE JUN 16 2016

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING AN AGREEMENT BETWEEN THE CITY OF SAN DIEGO AND MUNISERVICES, LLC, TO PROVIDE SALES TAX, USE TAX, PROPERTY TAX AUDIT AND RECOVERY, AND INFORMATION SERVICES AND AUTHORIZING THE EXAMINATION OF SALES, TRANSACTION, AND USE TAX RECORDS.

WHEREAS, pursuant to Resolution No. R-193047, the City of San Diego (City) entered into a contract with the State Board of Equalization (Board) to perform all functions incident to the administration and collection of local sales, transaction, and use taxes; and

WHEREAS, the City Council of the City of San Diego (City Council) deems it desirable and necessary for authorized representatives of the City to examine confidential sales, transaction, and use tax records of the State Board of Equalization pertaining to sales, transaction, and use taxes collected by the Board for the City pursuant to that contract; and

WHEREAS, the City has traditionally used the services of an outside consultant to provide sales tax, transaction tax, use tax, and property tax audit and information services (Tax Services) on a contingency fee basis; and

WHEREAS, the City's contract with the HdL Companies, the City's current consultant providing Tax Services, expires on June 2, 2016; and

WHEREAS, the City has determined that it is advantageous to the City to enter into a cooperative procurement contract for Tax Services awarded by the City of San Jose to MuniServices, LLC (Consultant) to provide Tax Services to the City; and

WHEREAS, on May 25, 2016, the Committee on Budget and Government Efficiency voted to forward the staff recommendation to the City Council for consideration; and

WHEREAS, in order to provide the Tax Services, the Consultant must be authorized by the City to examine the sales, transaction, and use tax records of the Board pertaining to the sales, transaction, and use taxes collected for the City by the Board; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board records, and establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales, transaction, and use tax records of the Board; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, as follows:

Section 1. That the Mayor, Chief Operating Officer, Chief Financial Officer, or other officer or employee of the City designated in writing by the Chief Financial Officer to the State Board of Equalization (hereafter referred to as Board), are hereby appointed to represent the City with authority to examine sales, transaction, and use tax records of the Board pertaining to sales, transaction, and use taxes collected for the City by the Board pursuant to the contract between the City and the Board. The information obtained by examination of Board records shall be used only for purposes related to the collection of City sales, transaction, and use taxes by the Board pursuant to that contract.

Section 2. That the Mayor, Chief Operating Officer, Chief Financial Officer, or other officer or employee of the City designated in writing by the Chief Financial Officer to the Board, are hereby appointed to represent the City with authority to examine sales, transaction, and use tax records of the Board for purposes related to the following governmental functions of the City:

- a. Detect, document and assist in correcting sales, transaction, and use tax reporting errors of business that, based on the location of their activities, are not properly registered with the City;
- b. Detect, document and assist in correcting the reporting of businesses that are improperly reporting sales tax, transaction tax, or use tax, resulting in a reduction in tax revenue to the City;
- c. Detect, document and assist in correcting sales, transaction, and use tax reporting errors or omissions and thereby generate previously unrealized revenue for the City;
- d. Provide the City with business-to-business use tax monitoring;
- e. Provide geo-coding in order to allow City staff to complete analyses of specific geographic areas by type and economic activity; and
- f. Functions related to budgeting and forecasting of revenue.

The information obtained by examination of Board records shall be used only for those governmental functions of the City listed above.

Section 3. That MuniServices, LLC is hereby designated to examine the sales, transaction, and use tax records of the Board pertaining to sales, transaction, and use taxes collected for the City by the Board. The consultant designated by this section meets all of the following conditions:

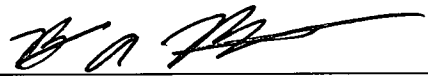
- a) has an existing contract with the City to examine those sales, transaction, and use tax records;

- b) is required by that contract to disclose information contained in, or derived from, those sales, transaction, and use tax records only to the Authorized Representatives under Section 1 of this resolution to examine the information;
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract; and
- d) is prohibited by that contract from retaining the information contained in, or derived from those sales, transaction, and use tax records, after that contract has expired.

The information obtained by examination of Board records shall be used only for purposes related to the collection of City sales, transaction, and use taxes by the Board pursuant to the contract between the City and the Board.

Section 4. That the Mayor or his designee is hereby authorized and directed to enter into an agreement with MuniServices, LLC to provide sales tax, transaction tax, use tax, and property tax audit and information services on a contingency fee basis substantially under the terms and conditions in the agreement on file with the Office of the City Clerk as Document No. RR- 310526, and with any recommended changes deemed to be necessary or appropriate by the City Attorney.

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
for: Brant C. Will
Deputy City Attorney

BCW:jdf
5/26/16
Or.Dept:FM
Doc. No. 1288002

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUN 14 2016.

ELIZABETH S. MALAND
City Clerk

By *Mary Stender*
Deputy City Clerk

Approved: 6/16/16
(date)

Kevin L. Faulconer
KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on JUN 14 2016, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUN 16 2016

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

(Seal)

By *Mary Stranahan*, Deputy

Office of the City Clerk, San Diego, California
Resolution Number R- **310526**